

Message Text

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PAGE 01 STATE 178011

61

ORIGIN ARA-20

INFO OCT-01 ISO-00 SP-03 AID-20 EB-11 NSC-07 RSC-01

CIEP-03 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 AGR-20

SWF-02 COME-00 L-03 TAR-02 CIAE-00 DODE-00 INR-11

NSAE-00 PA-04 USIA-15 PRS-01 /155 R

DRAFTED BY ARA/CEN:DHCLARE

APPROVED BY ARA/CEN:DLAZAR

EB/ICD/TRP:PPILKAUSKAS (PHONE)

EB/OT/GCP (INFO)

STR:BSTEINBOCK (INFO)

TREASURY:JJOHNSON (INFO)

ARA/PAN:HSTEIN (PHONE)

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R 142114Z AUG 74

FM SECSTATE WASHDC

TO AMEMBASSY GUATEMALA

INFO AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

AMEMBASSY SAN JOSE

AMEMBASSY PANAMA

AMEMBASSY BOGOTA

AMEMBASSY QUITO

C O N F I D E N T I A L STATE 178011

E.O. 11652: GDS

TAGS: ETRD, GT

SUBJECT: BANANA EXPORT TAX

REFERENCE: GUATEMALA 4294

1. DEPARTMENT APPRECIATES AMBASSADOR'S EFFORTS TO SOFTEN
GUATEMALAN ACTION REGARDING BANANA EXPORT TAX. TO COM-
PLEMENT YOUR EXCELLENT INITIAL RESPONSE, YOU MAY WISH TO
DRAW UPON FOLLOWING SHOULD APPROPRIATE OCCASION ARISE IN
DISCUSSIONS WITH GUATEMALAN OFFICIALS.

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PAGE 02 STATE 178011

2. WE HAVE NO EVIDENCE THAT ECUADOR NOW COOPERATING WITH UPEB AS ALLEGED BY MIN ECON PALOMO. ON THE CONTRARY, INFORMATION OF EARLY JULY (QUITO'S 4147) INDICATES THAT ECUADOR IS AT LEAST AS RELUCTANT AS BEFORE TO IMPOSE EXPORT TAXES AND PLANS TO REDUCE TO ALREADY EXISTING NOMINAL TAX. ECUADORAN EXPORTS TO U.S. INCREASED SIXTY PERCENT IN VOLUME IN JUNE 1974 OVER JUNE 1973.

3. REGARDING PRESSURES FROM OTHER C.A.S, WE HAVE RECEIVED REPORTS THAT PANAMANIAN HAVE BEEN EXERTING HEAVY PRESSURE ON CERTAIN CENTRAL AMERICAN GOVERNMENTS, BOTH OFFICIALLY AND UNOFFICIALLY, THROUGH MEDIA, ETC. GOP ESPECIALLY INTERESTED IN BOLSTERING POSITION AND ENLISTING OTHER GOVERNMENTS' SUPPORT DURING CURRENT NEGOTIATIONS WITH UNITED BRANDS.

4. DEPARTMENT WOULD BE INTERESTED IN LEARNING EXTENT OF GOG CONSULTATIONS WITH DEL MONTE. OUR EXPERIENCE IN OTHER COUNTRIES ON THIS PROBLEM INDICATES THAT LACK OF PRIOR DISCUSSIONS WITH COMPANIES HAS EXCERBATED DIFFICULTIES. KISSINGER

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NNN

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30 JUN 2005

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To: GUATEMALA
Type: TE
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